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EDIC/M-14
Control No. 2221
20 February 1956

ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Minutes of 14th Meeting

10:00 a.m., 9 February 1956

PRESENT

25X1A9a

[REDACTED] CIA, Chairman
[REDACTED] CIA, Vice Chairman

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[REDACTED] CIA
Mr. Walsh, OSD
Mr. Hamilton, AFOIN
Mr. Wood, G-2
Miss Dimock, ONI
Mr. Shavell, Commerce
Mr. Reiss, Commerce
Mr. Tilson, ICA/MDAC
Miss Baldwin, ICA
Miss Worthing, State/OIR
Mr. Knoll, State/ECD
25X1A9a [REDACTED] CIA, Acting Executive Secretary

1. Minutes, 10 November 1955 (EDIC/M-13)

Action:

The minutes of the meeting held on 10 November were approved.

2. Intelligence on Trade in Decontrolled Commodities
(State/OIR Intelligence Report No. 7031, 19 December 1955)

Discussion:

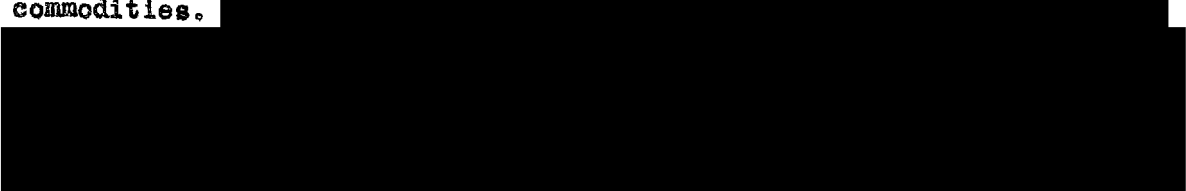
The Chairman commented that this was a carefully prepared paper which was of value in considering the effect on trade of the 1954 revision of the international trade controls.

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EDIC/M-14

The State/OIR member pointed out that since the revision of the strategic lists in August 1954 there has been no substantial increase in the level of Bloc imports but that the composition seems to have changed in the direction of increased imports in the decontrolled commodities.



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Action:

The paper was noted by EDIC members.

3. Soviet Bloc Sales of Gold in Free World Markets (EDIC/ID-20)

Action:

It was agreed that this paper would be considered approved if no comments were received by Thursday, 16 February.

(Since no comments were received, the paper has been approved.)

4. Revision of Instructions for Reporting on Economic Relations with the Sino-Soviet Bloc (EDIC/ID-18)

Discussion:

The Chairman announced that this paper had been approved by State/REP and transmitted to EDIC members for comment. In reply to a request from the Commerce representative that his agency be given more time to consider the paper, the Chairman suggested that Commerce make its report directly to State/REP.

Action:

It was agreed to consider the case closed. A copy of this paper will be sent to the EDAC Executive Committee for noting.

- 2 -

CONFIDENTIAL

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EDIC/M-14

5. Identification of New Strategic Commodities (EDIC/IR-19)

Discussion:

The Chairman observed that this proposal does not envision the entry of EDIC into the operational field, but represents an attempt to call appropriate attention to the need for developing more systematic and comprehensive procedures for utilizing the knowledge of scientific and technical personnel in the identification process.

The OSD member enumerated some of the inherent difficulties of conducting such a project within the Department of Defense. He suggested, however, that coordination of the effort in Defense might be carried out through the Psychological Warfare Panel (under the Assistant Secretary of Defense), which directs research and development activities in various fields.

Mr. Reiss of Commerce emphasized the importance to the trade-control program of a systematic review of commodities by technical personnel.

Action:

After considerable discussion, EDIC/IR-19 was approved, subject to corrections accepted by the Committee. (See EDIC Case 17, 13 February 1956, for corrected version) It was agreed to submit this paper to the EDAC Executive Committee for consideration.

6. Bauxite Shipments from the Free World to the Sino-Soviet Bloc (EDIC/IR-20)

Action:

It was agreed to accept this request with the proviso that the study be expanded to include data on aluminum requirements of the Bloc as well as probable Bloc imports and production of bauxite. CIA was assigned responsibility for this project with the assistance of Defense in preparing data on Bloc aluminum requirements.

(See EDIC Case No. 18, dated 15 February 1956, for the revised project statement.)

- 3 -

CONFIDENTIAL

CONFIDENTIAL

EDIC/M-14

7. Free World Deliveries of New and Used Ships to the Sino-Soviet Bloc in 1955 and Projected Deliveries for 1956, 1957, and 1958 (EDIC/IR-21)

Discussion:

The State/ECD member stated that a confirmation of the 1955 deliveries is needed as soon as possible. The State/OIR member suggested that this project be expanded to include a survey of Soviet Bloc merchant shipbuilding.

Action:

It was agreed to accept this request to bring up to date the material presented in EDIC/ID-16 (Revised). A survey of Soviet Bloc merchant shipbuilding will be included if feasible. Responsibility for this project was assigned to CIA in consultation with ONI.

8. Sino-Soviet Bloc Imports and Attempted Procurement of Copper 1954-1955 (EDIC/IR-22)

Discussion:

The Chairman described this CIA paper as a preliminary report circulated for information. No EDIC action is required at this time. He cautioned against using any of the statistics in the paper, especially those on shipments of bare copper wire, until further coordination has been completed. He stated that a further report will be made at a later meeting.

Action:

Further discussion of this subject was postponed pending completion of coordination on the project. 25X1A9a

Distribution:

Cat. B - (1-12,14)
C - (1-3,5)
D - (All)
E - (1-3)

- 4 -

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